

~~SECRET~~
~~NOFORN NOCONTRACT~~

Central Intelligence Agency



Washington DC 20505

R 008

(1)
m
d
s
t

t. done
idle situation
ptab

DIRECTORATE OF INTELLIGENCE

19 January 1990

North and South Yemen: In Search of Unity ~~(S/NF)~~

Summary

North and South Yemen appear increasingly serious in their pursuit of unity and are likely over the next few months to enter into new areas of political and economic cooperation. They probably will follow up on their recently announced federation by approving a joint unity constitution drafted in 1981, but never implemented. Mutually severe economic hardships appear to be driving the renewed unity process and are likely to lead to cooperative oil production and other joint economic ventures during the next year. Increasingly outspoken endorsement of the principle of unity by Aden and Sanaa probably is meant to facilitate joint economic ventures and encourage Arab and Western states to invest in the two states. ~~(S/NF)~~

Deep mutual distrust, significant domestic resistance to unity in both countries, [REDACTED] however, are likely to prevent Sanaa and Aden from achieving a complete political, economic, and military merger in the near-term. South Yemeni leaders in particular are acutely aware that the more heavily populated North would dominate any truly unified Yemen. They accordingly are likely to reject merging the two militaries and key ministries and any agreements in the near term are likely to be limited to intermediate economic, political and military agreements. ~~(S/NF)~~ f8

* * * * *

~~NOFORN NOCONTRACT~~

~~SECRET~~

Unity: Myth vs Reality

Despite a sense of common national identity, Yemenis have traditionally been fragmented along regional, tribal, and class lines. Successive regimes in North Yemen (Yemen Arab Republic) have coopted the support of the country's major Islamic figures to buttress regime legitimacy, while South Yemen (People's Democratic Republic of Yemen) long has been among the most secular and radical states in the Arab world. The Marxist regime in Aden is further divided ideologically from the government in Sanaa. (S-NF)

North and South Yemen have pursued unity in a series of agreements since the 1970s [see appendix], but actual implementation has remained elusive. Summit meetings typically occurred after a border clash or a deterioration in bilateral relations, but these talks for the most part have focused on resolving immediate issues in dispute. (S-NF)

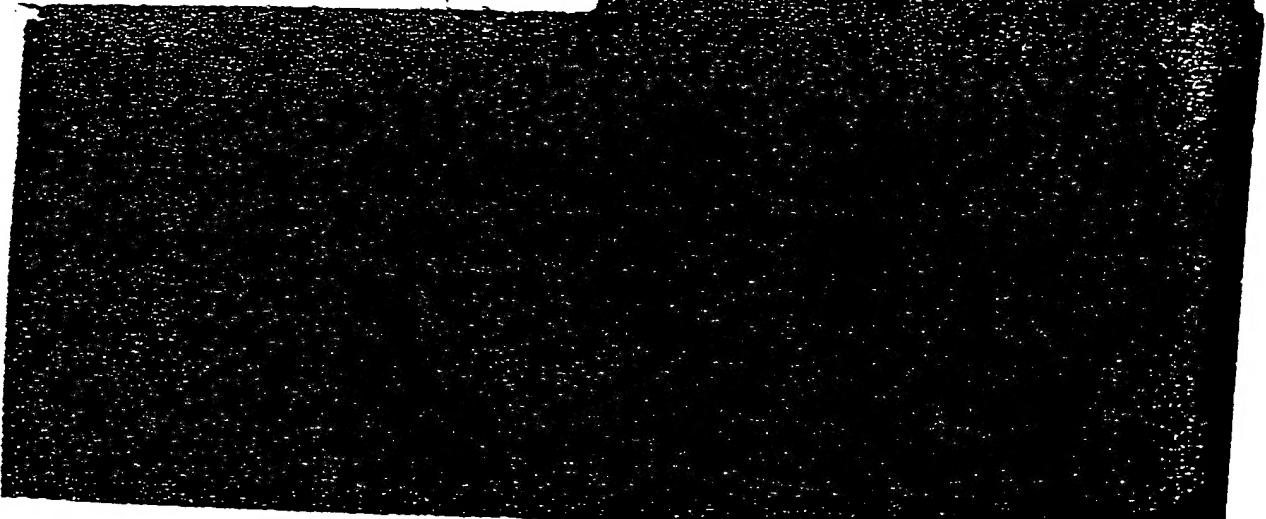
Recent Progress Toward Unity

We believe Sanaa and Aden are pursuing the issue more seriously this time to facilitate joint development projects and to strengthen the Yemens' appeal to potential Arab and Western investors. The recently concluded unity talks between North Yemeni President Salih and South Yemeni Secretary General Bid stemmed from serious economic crises in both countries.

Steps agreed to during President Salih's 30 November visit to Aden did not exceed previous joint agreements in substance, but may pave the way for establishment of a common infrastructure to complement the existing governments in Aden and Sanaa. Salih and Bid endorsed the principle of a North-South Yemen federation, and approved the draft Unity Constitution of 1981. Salih and Bid promised to pursue ratification within six months. The constitution calls for a unified government with its capital in Sanaa. Salih and Bid also agreed to joint Yemeni use of Aden's petroleum refinery and to construct asphalt roads linking Sanaa and Aden.

Sanaa and Aden also have announced plans to unify their militaries by the end of this year, but mutual distrust remains high and complete integration is unlikely that soon. Both defense ministries have promised to withdraw forces from their ill-defined border.

Salih and Bid met again in late December in Sanaa and generally reaffirmed their November promises.



Mutual Needs Drive Unity

The current enthusiasm for unity has been fueled by severe economic problems in both Yemens. A growing debt service burden in both countries has trimmed foreign exchange reserves [redacted]

[redacted] during the past two years.

North and South Yemen remain two of the poorest countries in the world with average per capita income of \$530 and \$470 respectively. (S-NF)

Both governments probably hope that the unity process will facilitate lucrative joint development projects that will generate badly needed revenues. Their most notable cooperative venture over the past two years has been in the oil arena. In 1988, Sanaa and Aden established the 2,200 square kilometer Joint Investment Area (JIA) along the undefined border between the two countries. Most oil industry analysts believe the JIA, which lies between North Yemen's Marib concession and South Yemen's Shabwah field, contains significant petroleum resources. (S-NP)

Sanaa and Aden established the Yemen Company for Investment in Oil and Mineral Resources (YCIOMR) to oversee the exploration and development of the area. The YCIOMR has awarded the JIA consortium to a five-party group comprised of US firms Hunt and Exxon, France's Total, and firms from Kuwait and the Soviet Union. After two rounds of talks, the group and YCIOMR signed an agreement in December that resolved differences over the financial package, production-sharing arrangement, and exploration period, according to press reports. Exploration work is scheduled to begin this month. (S-NF)

Aden and Sanaa probably hope that such joint economic pursuits will attract more Arab and Western assistance and compensate for domestic

~~SECRET~~

~~NOFORN NOCONTRACT~~

economic shortages.

~~South Yemen is limited to Norwegian and Danish assistance in the fishing industry and French and Canadian petroleum development.~~

Domestic Opposition. Salih and Bid face continued domestic opposition to more than a relatively cosmetic merger, but probably believe they can gain formal endorsement from their national assemblies for the unity constitution. ~~Bid and his southern colleagues are undoubtedly aware that the more heavily populated North would dominate any truly unified state, and they thus are unlikely to agree to merge major ministries and the militaries of both states.~~ (S-NP)

4
~~NOFORN NOCONTRACT~~

~~SECRET~~

Prospects for Unity

Complete unification, in our view, remains doubtful in the near term, but the renewed unity discussions have generated a growing momentum that is likely to lead to intermediate economic, political, and other agreements. Desperate economic needs probably will continue to drive the unity issue, and economic liberalization in both Yemens and joint financial ventures are likely near-term results of the unity process. At a minimum, the unity process may serve as a useful guise for Salih and Bid to combine complementary national resources such as North Yemen's manufacturing and petroleum industries and South Yemen's port facilities and refineries. (S)
// NF

APPENDIX
Unity Agreements

North and South Yemen have pursued unity since 1972 in a series of meetings. Their efforts have led to a number of stillborn agreements, listed below, that redundantly spell out conditions for a joint state. (S)
~~(NF)~~

Cairo Agreement, October 28, 1972. North and South Yemeni Prime Ministers met in Cairo and agreed on unity under the auspices of the Arab League. They agreed on a unified Yemen with one flag, capital, leadership, executive, and legislature as well as Arab League supervision of the popular referendum to be held to approve the constitution. The ministers also agreed on an Arab, Islamic government in a democratic, national, republican form with free elections and broad individual political rights. Eight joint committees were formed to deal with constitutional affairs, economic and financial matters, legislative and judicial, educational, cultural and information, military, health, and administrative and public service problems. (U)

The Tripoli Accord, November 1972. North Yemeni President 'Abd al-Rahman al-Iryani and South Yemeni President Salim Rubayya 'Ali met in Tripoli, Libya and confirmed the Cairo Agreement one month after it was drafted. Iryani conceded that the new state would be "socialist" with one unified political legislation. Rubayya 'Ali agreed that Islam would be the religion of the united Yemeni state. The North Yemeni Consultative Assembly later refused to ratify the Cairo Agreement. (U)

Kuwaiti Agreement, March 29, 1979. Arranged by an Arab League mediation team, this summit was attended by North Yemeni President Ali Abdullah Salih and South Yemeni President 'Abd al-Fattah Ismaill. They agreed to implement the 1972 unity agreements and draw up a constitution for a new state. This constitution was drawn up in late 1981. The leaders agreed that the two Yemens would unite in a federation, although both countries would retain their individual governments and ideologies. They would merge their efforts in such fields of mutual interest such as health, education, and economics. The federation of the two Yemens would be known as the Popular Islamic Republic of Yemen. (U)

Draft Constitution for a United Yemen, 1981. The draft agreed to a parliamentary democracy with legislative power held by an elected parliament and executive power resting in a council of ministers. The unified state would share a mixed economy and Sanaa would be the capital. The state would be Islamic and follow Sharia law with a judicial system headed by an elected attorney general. The constitution was to be submitted to legislative and executive bodies in both states before being submitted to the people of both states for a referendum. (U)

~~SECRET~~

~~NOFORN NOCONTRACT~~

Open Border Agreement May 4, 1988. President Salih and Secretary General Bid signed a joint exploration agreement establishing a neutral zone in their disputed border region. Under the terms of this agreement, military forces were withdrawn to predetermined positions on each side, defusing a situation that had the potential to escalate into open warfare. The oil ministers of each country were charged with planning the joint development of the region.

